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COMMONWEALTH OF VIRGINIA STATE CORPORATION COMMISSION

AT RICHMOND, December 23, 2002

APPLICATION OF

CASE NO. PUC-2002-00206

ESSEX ACQUISITION CO.

For approval to transfer assets under
the provisions of Chapter 5 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 11, 2002, Essex Acquisition Co. (“Essex” or “Applicant”) filed an application with the Commission requesting, in part, certificates of public convenience and necessity (“CPCN”) to authorize Essex to provide local exchange and interexchange telecommunications services in Virginia. The certificate portion of the application was deemed to be complete on November 15, 2002, and assigned Case No. PUC-2002-00204.

On October 16, 2002, the original application was processed by Staff to consider the Applicant’s request for authority under Chapter 5 of the Code of Virginia to acquire the assets of Essex Telecommunications of Virginia, Inc. d/b/a eLEC Communications (“Old Essex”). The Chapter 5 portion of the application was deemed complete on November 8, 2002 and assigned Case No. PUC-2002-00206.

Essex is a direct subsidiary of BiznessOnline.com, Inc., which is a publicly-traded Delaware corporation headquartered in New Jersey. Essex intends to assume assets,

operations and customers of Old Essex, which was granted a certificate of public convenience and necessity to provide local exchange telecommunications service in Case No. PUC-1998-00158, entered January 13, 1999.

On September 2, 2002, Essex and Old Essex entered into a purchase agreement whereby Old Essex will transfer its assets and local customers within Virginia to Essex following approval of Essex's application for a CPCN, in Case No. PUC-2002-00204. In exchange, Essex will assume certain liabilities of Old Essex and manage Old Essex pursuant to an interim consulting agreement and funding agreement until closing of the purchase agreement occurs. Under terms of the agreement, closing of the purchase agreement must be completed by December 31, 2002.

Essex will provide all services currently offered by Old Essex to its existing customers and seeks additional authority, in Case No. PUC-2002-00204, to provide intrastate interexchange services.

The Applicant states that failure to approve the application would harm the public interest as it will result in the inability of customers to continue to receive services now provided by Old Essex. It would also result in the diminution of competition in Virginia since Old Essex's current financial position has impeded its ability to compete aggressively in the telecommunications market.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, involving the transfer of assets from Old Essex to Essex will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of assets of Old Essex to Essex, as described and under the conditions set forth herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.